

## **SUBCOMMITTEE NO. 2**

## **Agenda**

**Byron Sher, Chair**  
**Sheila Kuehl**  
**Bruce McPherson**



**Thursday, April 24, 2003**  
**Upon Adjournment of Session**  
**Room 112**

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### **Resources--Environmental Protection—Public Safety—Energy**

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## 5480 Commission on Correctional Peace Officers' Standards and Training

The objective of the Commission on Correctional Peace Officers' Standards and Training (CPOST) is to enhance the training and professionalism of California's state correctional peace officers through the development of sound selection practices and effective, competency-based training programs.

CPOST is composed of six commissioners serving four-year terms. Two commissioners are appointed by, and represent, the management of the Department of Corrections, and one commissioner is appointed by, and represents, the management of the Department of the Youth Authority. Three Commissioners are appointed by the Governor upon recommendation by, and representing the membership of, the California Correctional Peace Officers' Association. Since of July 1, 2000, the CPOST has been separate from the Youth and Adult Correctional Agency, functioning as an independent entity within this agency.

*Budget Request.* The budget proposes total expenditures of \$2.2 million from the General Fund and 18.5 positions to develop, approve, and monitor selection and training standards for California's correctional peace officers. This amount is an increase of \$52,000, or 2.5 percent above current year expenditures.

### *Midyear Reductions.*

- A reduction of \$120,000 General Fund from operating expenses and equipment.
- A reduction of \$59,000 General Fund and 1 vacant position pursuant to Control Section 31.6
- 

### *Budget Year Reductions*

- A reduction of \$74,000 General Fund from operating expenses and equipment.

### **Academy Costs.**

*Staff Notes.* Currently, approximately 1,930 cadets graduate from the training academy each year. One potential way to reduce overtime expenditures at the CDC may be to expand the number of cadets that go through the academy each year. Since the length of time that cadets train on-site at the academy has been shortened from 16 weeks to 12 weeks, it may be possible to expand the number of cadets that go through the academy in a fiscal year. The Subcommittee may wish to ask whether CCPOST would have any additional costs if the number of cadets going through the academy was increased.

No additional issues have been raised for CCPOST. Staff recommends approval as budgeted.

## 5240 DEPARTMENT OF CORRECTIONS

The Department of Corrections (CDC) is responsible for the control, care, and treatment of men and women who have been convicted of serious crimes and entrusted to the department's Institution and Community Correctional programs. In addition, the CDC maintains a Health Care Services Program to address inmate health care needs, and a civil narcotics treatment program for offenders with narcotic additions.

*Budget Overview.* The budget proposes \$5.3 billion for the CDC, which is an increase of \$40.2 million, or 0.8 percent, above the estimated current year budget. As the table below shows, General Fund expenditures are proposed to increase by \$53.1 million, or 1 percent above current year expenditures. The increase is due primarily to cost factors related to the projected increase in inmate and parole populations, a projected workers compensation shortfall, and increased healthcare costs.

<b>CDC – Source of Funding</b>					
<b>Fund</b>	<i>Expenditures (dollars in thousands)</i>				<i>Percent</i>
	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>Change</b>	<b>Change</b>
General Fund	\$4,934,700	\$5,096,077	\$5,149,208	\$53,131	1.0%
Federal Trust Fund	1,652	2,350	2,386	36	1.5%
Inmate Welfare Fund	45,645	47,366	50,009	2,643	5.6%
Special Deposit Fund	1,516	155	1,010	855	552%
Reimbursements	103,122	90,559	74,045	-16,514	-18.2%
<b>Totals, Programs</b>	<b>\$5,086,635</b>	<b>\$5,236,507</b>	<b>\$5,276,658</b>	<b>\$40,151</b>	<b>0.8%</b>

*Authorized Positions.* Authorized positions for the department are proposed to increase by 817, or 1.8 percent, above the current year numbers to 46,174. The primary reason for the increase is due to increases in the estimated inmate and parole populations.

<b>CDC – Summary of Program Expenditures</b>					
<b>Program</b>	<i>Expenditures (dollars in thousands)</i>				<i>Percent</i>
	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>Change</b>	<b>Change</b>
Institution Program	\$3,818,807	\$3,859,270	\$3,854,241	-\$5,029	-0.1%
Health Care Services Program	796,773	886,909	939,172	52,263	5.9%
Community Correctional Program	466,224	490,327	483,244	-7,083	-1.4%
Administration	141,519	146,966	144,345	-2,621	-1.8%
Distributed Administration	-141,519	-146,966	-144,345	-2,621	-1.8%
State Mandated Local Program	4,831	1	1	0	n/a
<b>Total</b>	<b>\$5,086,635</b>	<b>\$5,236,507</b>	<b>\$5,276,658</b>	<b>\$40,151</b>	<b>0.8%</b>
<b>Total Authorized Positions</b>	<b>43,704</b>	<b>45,358</b>	<b>46,174</b>	<b>817</b>	<b>1.8%</b>

## Issues

### 1. Population Estimates.

*Inmate Population Projections.* At the time of the budget's introduction in January, the department's total inmate population was projected to increase from 160,661 on June 30, 2003, to 161,039 by June 30, 2004, an increase of 378 inmates, or 0.2 percent. The population is estimated to remain relatively flat through 2008, with an estimated institution population of 161,199 by June 30, 2008. The actual institution population on June 30, 2002 was 157,979, a decrease of 3,518 inmates from the previous year, and 2,682 below the projected June 30, 2003 population.

*Parole Population Projections.* At the time of the budget's introduction in January, the department's parole population was projected to decrease from 117,233 on June 30, 2003, to 115,387 by June 30, 2004, a decrease of 1,846 parolees, or 1.6 percent. The actual parole population on June 30, 2002 was 120,336, an increase of 700 parolees from the previous year, and 3,103 parolees below the projected June 30, 2003 parole population.

*Issue.* The CDC will issue updated population projections for spring 2003 that will form the basis for the department's May Revision proposal. The CDC and the BPT have indicated that some portion of the increase in the trend in the current year from previous estimates is due to inmate processing delays in the reception centers related to Proposition 36, and internal paperwork processing delays.

*Analyst's Recommendation.* The LAO withholds recommendation on CDC's caseload funding request pending the May Revision.

*Staff Recommendation.* Staff recommends holding this budget open pending the May Revision. Action.

### 2. CDC Structural Deficiency.

*Background.* The CDC has had General Fund deficiencies for several consecutive years, due largely to ongoing structural problems with the department's budget. The table below highlights the amounts received by the CDC in the last several years.

Deficiency Funding Received by CDC					
	Fiscal Year (dollars in millions)				
	1997-98	1998-99	1999-00	2000-01	2001-02
Amount	\$6.2	\$16.5	\$53.1	\$157.6	\$178.6

The budget shortfalls occurred as a result of a number of factors including, (1) higher than budgeted use of overtime, which is largely the result of vacancies in correctional officer positions and use of sick leave, (2) increased costs for pharmacy and contract medical services, (3) workers' compensation costs, and (4) utility costs.

The Subcommittee may wish to ask the CDC what factors have led to the deficiencies and what actions the CDC is taking to reduce deficiencies in the future.

*Overtime Expenditures.* The CDC indicates that last year overtime expenditures totaled \$270 million. The Subcommittee may wish to inquire what policies the CDC is proposing to reduce overtime expenditures, and whether there limits for how much overtime individuals can work and how the process would work if a cap on overtime was implemented.

As noted in earlier in the agenda, approximately 1,930 cadets graduate from the training academy each year. One potential way to reduce overtime expenditures at the CDC may be to expand the number of cadets that go through the academy each year and authorize additional correctional officer positions. Since the length of time that cadets train on-site at the academy has been shortened from 16 weeks to 12 weeks, it may be possible to expand the number of cadets that go through the academy in a fiscal year. The Subcommittee may wish to ask whether CDC what the costs and the cost avoidance would be to increase the academy by 800 cadets and to approve an additional 800 positions.

Action.

### **3. Delano II.**

Chapter 54, Statutes of 1999 (AB 1535, Florez) provided authority for \$311.5 million in lease revenue bonds in order to construct a new 2,248 bed maximum security prison at Delano. Previously, the Subcommittee took an action to delay activation of the Delano II facility by 12 months (until the spring of 2005), for a savings of \$1.5 million in the current year. The budget year savings for this action are estimated to be \$8.7 million.

*Staff Recommendation.* Staff recommends that the Subcommittee re-affirm the earlier decision to delay Delano II by 12 months to score the savings in the budget year. This action would continue CDC's current policy of housing Level III inmates in gymnasiums.

Action.

### **4. Substance Abuse Treatment Expansion**

*Budget Request.* The budget proposes \$5.4 million and 9 positions for a 500 slot substance abuse treatment expansion. The proposed expansion would bring the total number of treatment slots from 8,501 to 9,001.

*Staff Comments.* AB 1535, Florez, required that the CDC increase the number of treatment slots to at least 9,000 before activation of Delano II.

*Staff Recommendation.* Should the Subcommittee delay Delano until the Spring 05, staff recommends also delaying this 500 slot expansion. Staff notes that this action is also one of CCPOA's recommended options, noted later in the agenda.

Action.

### 5. Workers' Compensation Request.

*Budget Request.* The budget proposes a base budget increase of \$115.8 million to address a structural budgetary shortfall for workers' compensation.

The CDC indicates that it has experienced escalations averaging 14.8 percent over the last five years for workers' compensation costs. The CDC attributes the increase to increases in salaries and the number of budgeted positions, rising medical costs, and changes in legislation affecting workers' compensation.

<b>CDC – Summary of Workers' Compensation Budget and Expenditures</b>			
<b>Fiscal Year</b>	<i>Expenditures (dollars in thousands)</i>		
	<b>Budget*</b>	<b>Expenditures</b>	<b>Surplus/Deficit</b>
1995-96	\$68,327	\$68,916	(\$590)
1996-97	78,834	78,150	684
1997-98	84,859	86,989	(2,130)
1998-99	78,600	98,877	(20,188)
1999-00	89,115	122,517	(33,402)
2000-01	100,203	130,895	(30,691)
2001-02	134,387	154,829	(20,442)
2002-03 (estimated)	134,388	167,208	(32,820)
2003-04 (proposed)	69,864	185,635	(115,770)

\* Budget is base budget for workers' compensation costs, with one-time allocations for workers' compensation costs.

The CDC indicates that the projected shortfall of \$115.8 million does not include the fiscal impact of the Bargaining Unit 6 memorandum of understanding, part of which is a general salary increase which is likely to further increase workers' compensation costs in the future.

Between 1997-98 and 2000-01, the total claims filed as a percentage of total positions remained level at about 31 percent. In addition, CDC notes that according to data from the SCIF, the costs of CDC's claims as a percentage of total payroll is lower for CDC (4.9%) than the CHP (8.2%), DMH (7.3%), and CYA (5.2%).

*Staff Notes.* The Legislature provided funding for CDC to create a Workers' Compensation Fraud Program. In November 2001, the CDC implemented a Workers' Compensation Suspicious Activity Program (WCSAP). The program includes six special agent positions and redirected two analyst positions to address cost containment, similar to a program implemented by the CHP. As notes later in the agenda, these positions are recommended as options for deletion in the CCPOA proposal.

*Staff Recommendation.* The Subcommittee may wish to ask CDC whether it can draw any conclusions regarding the effectiveness of the WCSAP program. Staff recommends approval of the proposed increase for workers' compensation.  
Action.

**6. Fiscal Impact of the MOU with Bargaining Unit 6.**

*Budget Request.* The CDC's recently MOU signed with Bargaining Unit 6 will be in effect until July, 2006. The budget proposes \$6.7 million for the operational impact costs associated with the new contract. The future operational costs are estimated to be \$12 million in 2004-05 and \$15.7 million ongoing thereafter.

The major factor in these estimates is reductions to the Institution Vacancy Plans (IVP). Prior to the agreement, institutions bargained with local unions to leave certain post positions vacant. The MOU requires that 200 IVP holiday and vacation positions were activated within 60 days of ratification of the contract, an additional 100 on January 1, 2003, an additional 100 on January 1, 2004, and the remaining holiday and vacation positions (122) by January 1, 2005. The contract places a cap on the statewide average IVP of 5 percent.

*Staff Recommendation.* The Subcommittee may wish to ask what the impact of the IVP reductions is likely to have on overtime expenditures. The Subcommittee may also wish to ask whether the potential fiscal impacts related to changes in sick leave policies are included in these estimates. Staff recommends approval of the proposal.

Action.

**7. Underbudgeted Sick Leave Funding**

*Budget Request.* The budget proposes \$14.7 million and 327 positions to begin to address the impact of sick leave usage for posted positions in Bargaining Unit 6. This funding would be provided to increase the sick leave relief factor for posted positions.

*Background.* The CDC indicates that the Bargaining Unit 6 MOU contained significant policy changes that has led to an increase in sick leave usage. The MOU eliminated the Extraordinary Use of Sick Leave (EUSL) program and decreed that the use of sick leave hours alone could not form the basis of employee discipline. The MOU also allows Permanent Intermittent Employees (PIE's) the ability to use sick leave when contacted to work but unable to report due to illness, eliminating the requirement that they be prescheduled to work in order to use sick leave.

*Issue.* The CDC has indicated that it has experienced a significant increase in sick leave usage by correctional officers, which requires additional resources to address.

*Finance Letter Revision.* The Administration has submitted a Finance Letter requesting an increase of \$4,809,000 to correct the amount budgeted in the 2003-04 budget proposal for Sick Leave Relief. The original sick leave request was understated due to the use of an incorrect base allocation for sick leave.

*Staff Recommendation.* The Subcommittee may wish to ask CDC whether it has estimates for the impacts of these changes to sick leave policies, and whether there have been changes in the use of sick leave by correctional officers. The Subcommittee may wish to ask what policies it currently has in place to contain overtime expenditures from increased sick leave usage. Staff recommends holding this issue open at this time.

Action.

**8. Education Reduction**

*Budget Request.* The budget proposes a reduction of \$46.2 million from the CDC education program.

*Finance Letter Revision.* The Finance Letter requests an increase of \$11,310,000 to correct the reduction proposed for the Department's education budget. With this adjustment, the Department's education budget would be reduced by a total of \$34.9 million. The DOF indicates that this level of reduction will bring the budget to a level commensurate with historical expenditures and not result in any teacher layoffs or reduced educational opportunities for inmates.

*Staff Comments.* In order to achieve this level of savings, CDC will have to (1) abolish all vacant funded positions (126 positions -- \$8.2 million), (2) revert \$15.2 million for 280 teacher positions that were eliminated 2 years ago, (3) eliminate 21 positions (\$2.1 million) that would be funded through CDC population BCP, (4) revert operational expense funds equivalent to the amount unspent in the previous year (\$4.9 million). In addition, the CDC may have to lay off teachers in the temporary help blanket and additional teacher positions to achieve the level of savings.

*Staff Recommendation.* The Subcommittee may wish to ask the CDC whether the education reductions will result in teacher layoffs, and whether the reduction will increase costs by impacting work credits. The Subcommittee may wish to ask whether CDC has any estimates on the impact on savings through work credits and reduced recidivism from filling existing vacant teacher positions rather than eliminating these positions. Staff recommends holding this issue open at this time.

Action.

**9. Elimination of the Arts in Corrections Program**

*Budget Request.* The budget proposes savings of \$2.6 million in the budget year from elimination of the Arts in Corrections program and making statewide the Handicraft program.

*Staff Comments.* The Subcommittee may wish to ask whether this reduction will have an impact on the ability to place inmates in work or education programs.

Action.

**10. Elderly Inmates.**

*Analyst's Recommendation.* The LAO reports that there are approximately 6,400 inmates at the CDC over the age of 55. Given the cost of housing nonviolent elderly inmates, relatively low rates of re-offense by elderly inmates, and research showing high rates of parole success among older inmates, the LAO recommends that the Legislature adopt trailer bill language to release nonviolent inmates over 55 years of age to parole. The LAO notes that this would save approximately \$9 million in the budget year, and would also potentially reduce prison health care costs.



*Staff Notes.* Staff notes that SB 278, Ducheny has a bill that was approved in Senate Public Safety that would release certain elderly and infirm inmates that are deemed to no longer pose a public safety threat.

Action.

### 11. Inmate Security Plan

*Budget Request.* The budget proposes \$5.5 million from the General Fund and 75 positions to provide funding for additional costs incurred as a result of implementing a standardized staffing pattern for administrative segregation for all institutions, provide additional resources for a consultant to address standardized staffing for various missions, housing type, and physical plants, and to provide for three gang debriefing teams.

*Staff Recommendation.* Staff recommends approval as budgeted.

Action.

### 12. San Quentin Enhanced Security.

*Budget Request.* The budget proposes \$604,000 and 9 positions to re-establish additional custody staffing at San Quentin to provide enhanced security coverage for condemned inmates with a high escape or violence potential.

*Staff Recommendation.* Staff recommends approval of the proposal as budgeted.

Action.

### 13. Other Budget Proposals

The following table highlights the other budget proposals in the institutions, administrative services, and information systems divisions.

Issue Title	Positions	Dollars (in thousands)
CMF Enhanced Outpatient Program Staffing	12	884
Disability Placement Program	9	674
Strategic Offender Management System	5	1,278
Respiratory Protection Program – Medical Evaluations Phase II	0	152
Utilities Costs	0	9,733
Inmate Restitution, Inmate Banking and Canteen System (Funding from the Special Deposit Fund and Inmate Welfare Fund)		3,310

*Staff Recommendation.* Staff Recommends approval of these proposals.

Action.

**HEALTHCARE SERVICES****14. Healthcare Services Budget Proposals**

The following table highlights the budget proposals in the health care services division.

Issue Title	Positions	Dollars (in thousands)
Mental Health Services Delivery System – Compliance with the <i>Coleman</i> Court Order	38	4,200
Inmate Medical Services Program – Tele-medicine Staffing	4	499
Minimum Nurse to Patient Staffing Ratio for licensure of the General Acute Care Hospitals at California Men’s Colony and California Institution for Men.	29	1,381
Correctional Treatment Center Licensing at California Institute for Women and Central California Women’s Facility.	21	1,489
Mandated Patient Information Management System Reappropriation.		4,000

*Staff Recommendation.* Staff Recommends approval of these proposals.  
Action.

**PAROLE SERVICES****15. Parole Services Budget Proposals**

The following table highlights the budget proposals in the parole services division.

Issue Title	Positions	Dollars (in thousands)
Going Home Los Angeles Federal Grant	0	350
Transfer of Proposition 36 Implementation Plan from BPT to CDC	18	1,262

*Staff Recommendation.* Staff recommends approval of these proposals.  
Action.

**FINANCE LETTERS****16. DNA Ongoing PC 296 Collection.**

*Finance Letter Request.* This Finance Letter proposes an increase of \$1,735,000 and 21.5 positions to address the ongoing workload related to DNA and palm print collection as required by the Forensic Data Base and Data Bank Act of 1998.

*Staff Recommendation.* Staff Recommends approval of the Finance Letter.  
Action.

**17. Private Branch Exchange Systems Upgrades.**

*Finance Letter Request.* This Finance Letter proposes an increase of \$1,729,000 to provide upgrades to telecommunications hardware and software in eight institutions. These eight institutions are currently using discontinued hardware and software that is obsolete and not supported by the manufacturer.

*Staff Recommendation.* Staff Recommends approval of the Finance Letter.  
Action.

**18. Business Information System.**

*Finance Letter Request.* This Finance Letter proposes an increase of \$1,351,000 and 7 positions to continue the existing Business Information System project which will provide an automated, integrated system necessary to allow Headquarters and Institutional Administration to, among other things, more efficiently track expenditures and manage their program budgets.

*Staff Recommendation.* Staff Recommends approval of the Finance Letter.  
Action.

**19. Technical Adjustment to Inmate Medical Services.**

*Finance Letter Request.* This Finance Letter proposes a decrease of \$125,000 and 1.1 position to delete funding proposed in the 2003-04 Governor's Budget for telemedicine services at the Northern California Women's Facility (NCWF). Due to the closure of NCWF, the funding that was included in the Governor's Budget is unnecessary.

*Staff Recommendation.* Staff Recommends approval of the Finance Letter.  
Action.

**CDC Capital Outlay****20. Condemned Inmate Complex.**

*Budget Request.* The budget proposes \$220 million from lease revenue bonds for the design and construction of a Condemned Inmate Housing Complex at San Quentin to accommodate the male inmate population on death row. The complex will consist of approximately 1,000 maximum security cells, and will also include program and support space, a law library, visiting, religious space, exercise yards, a Correctional Treatment Center, and a lethal electric fence. The CDC expects that the construction would be completed by summer 2007. The complex would be based on the 180-degree design used for housing Level IV inmates.

*Analyst's Recommendation.* The LAO recommends deletion of the project because the project is lacking in detail, and does not provide a long-term solution. Specifically, the LAO notes that the cost per cell is higher than for the Delano II prison currently under construction, there is no plan to house more than 1,000 death row inmates, and additional details need to be developed to more accurately determine costs. The LAO also notes that the Legislature should consider whether condemned inmates should remain at San Quentin, or be relocated to another institution.

*Staff Recommendation.* Staff recommends holding this issue open.  
Action.

**21. Other Capital Outlay Proposals**

The following table highlights the other capital outlay proposals.

Institution	Project Name	Amount	Project Phases*	Fund Source
SAC	Psychiatric Services Unit/Enhanced Outpatient Care Phase II	15,248,000	C	Lease Revenue Bonds
CMF	Mental Health Crisis Beds	18,645,000	P,W,C	Lease Revenue Bonds
CIM	Electrified Fence	466,000	P,W	General Fund
CIM	Cell Security Lighting	1,250,000	W,C	General Fund
CCI	Wastewater Treatment Plant Upgrade	15,743,000	C	Lease Revenue Bonds
DVI	New Well	551,000	C	G.O. Bonds
	Evaluate and Construct Mental Health Facilities (Statewide)	1,000,000	S	G.O. Bonds
RJD	Substance Abuse Program Modular Replacement	2,074,000	C	Lease Revenue Bonds
DVI	Infirmiry Heating/Ventilation/Air Conditioning	1,060,000	C	General Fund
	Budget Packages/Advance Planning	1,000,000	S	G.O. Bonds
	Minor Capital Outlay	5,000,000	PWC	G.O. Bonds

\*S= Study; P= Preliminary plans; W= Working drawings; C= Construction

*Staff Recommendation.* Staff recommends approval of these proposals.  
Action.

## Capital Outlay Finance Letters

### 22. NCWF Conversion.

This Finance letter requests a total of \$10,831,000 in lease revenue bonds for preliminary plans (\$1,115,000), working drawings (\$634,000), and construction (\$9,082,000) for the conversion of the Northern California Women's Facility to a reception center for the greater San Francisco Bay Area for male inmates who have violated the conditions of their parole.

This proposal requires Trailer Bill Language for implementation. Under current law, the NCWF facility can only be used to house female inmates. This facility was closed by CDC in the current year due to the decline in the female inmate population. The Subcommittee has been contacted by local officials who have concerns about using this facility as a male reception center.

*Staff Recommendation.* . Staff recommends not approving this Finance Letter request. Staff notes that there will be additional activation costs in budget year plus one related to conversion of this facility to a reception center. The Legislature may wish to consider alternative uses for this facility, as well as consider policies to reduce the revocation rates for parolees so that an additional reception center is not needed by CDC.

Action.

### 23. New Potable Water Source.

This Finance Letter request the following provisional language to Item 5240-301-0751:

Notwithstanding any other provision of law, not more than \$600,000 of the funds in schedule (1) may be used to complete construction of the New Potable Water Source project at the California Correctional Institution (Item 5240-301-0001 (2.3) in the Budget Act of 1998).

This provision saves the Department from requesting an augmentation for a major project with General Fund dollars.

*Staff Recommendation.* Staff recommends approval of this Finance Letter.  
Action.

### 24. California Correctional Peace Officers' Association Options for Savings

*Background.* On March 26, the California Correctional Peace Officers' Association (CCPOA) provided the Legislature with some options for savings at CDC. The following table highlights the options presented.

CCPOA Proposal	Estimated Attainable GF Savings in
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	2003-04 (in millions)
<b>Defer San Quentin Condemned Housing (CCPOA Estimate: \$220 million)</b> CCPOA proposes that the expenditure of these bond funds for construction of a new facility could be delayed during the budget year. <i>Staff Notes.</i> Since this project would be funded with revenue bonds, there is no GF savings until this project is completed – potentially in 2007-08.	\$0
<b>Defer New CDC Headquarters (CCPOA estimate \$160 million).</b> In 1998, the Legislature authorized CDC to construct a new building for its headquarters, to be financed by lease revenue bonds. It is an active project at DGS, but little progress has been made on the project. <i>Staff Notes.</i> Since this project would be funded with revenue bonds, there is no GF savings until this project is completed.	\$0
<b>Expand Work Credits.</b> (CCPOA Estimate: \$50-\$70 Million). One option includes expanded day for day work credits for less serious inmates in reception centers. This population would be for nonviolent, non-serious offenders – less serious offenders than were included in SB15x that the Governor vetoed.	\$50 to \$70
<b>Delay Substance Abuse Treatment Beds.</b> CCPOA proposes a delay in the expansion of these beds until Delano II is scheduled to open. Similar to issue raised previously in the agenda. Postponing the drug treatment bed expansion is consistent with a 12 month delay proposed by the Senate for the new prison.	\$5.4
<b>CalPERS – Golden Handshake Incentive.</b> This option would authorize employees to trade accumulated leave balances (vacation, holiday, etc.) for service/age credits toward their retirement calculations. (CCPOA Estimate: \$30 to \$40 million). <i>Staff Notes.</i> While CDC would pay less- up front – for retiring employees who don't "Cash Out," there would be on-going costs related to higher pension benefits. The estimated savings are also based on assumptions that may be overstated -- CDC indicates that last year it paid less than \$5 million to cash out benefits for retiring employees.	Unknown
<b>Elimination of Positions at Regional Administrator Offices.</b> This proposal would eliminate 26 positions, returning the offices to 2000-01 staffing levels. There are currently 31 positions in the regional offices (three per region). CDC indicates that it is looking at reductions in this area and that previously, these positions had been in the temporary help blanket.	\$1.3
<b>Elimination of 12 Personnel Years from the Workers' Compensation Suspicious Activities Unit.</b> (CCPOA estimate \$785,000). CCPOA believes that these positions are redundant with activities of the State Compensation Insurance Fund and an unnecessary expense. CDC indicates that there are only 6 personnel years funded for this unit. The CDC also reports that the number of new claims filed annually reduced from 7,574 to 7,337 in the first year of this unit.	\$0.5
<b>Elimination of 51 Personnel Years from the Office of Investigative Services (OIS).</b> This proposal would shift Category II investigations back to local institutions or parole regions and indicates that it can demonstrate that the	\$3.8

quality and timeliness of investigations had been greatly diminished since the formation of OIS. The CDC indicates that it is looking at the restructuring of OIS, but that the role and duties of OIS has changed significantly.	
<b>Contract Medical Services for Inmates: Use Medi-Cal Fee Schedule.</b> (CCPOA Estimate: \$75 to 90 million). <i>Staff Notes.</i> CDC now spends over \$208 million for contract medical expenses. For the proposal to work, CDC indicates that legislation would be required that mandates contract medical providers to serve inmates and accept the Medi-Cal rate.	Unknown
<b>Eliminate 5 Community Correctional Facility (CCF) Contracts.</b> (CCPOA Estimate: \$5.1 million) <i>Staff Notes.</i> There are approximately 1,200 inmates currently held in these private CCFs. These contracts were originally proposed to be eliminated last year, but the Legislature approved renewal of the contracts. Based on the current overcrowding rate, CDC estimates that the savings from closure would be \$1.9 million.	1.9
<b>Elimination of 32 Correctional Sergeant Positions associated with 7K training.</b> (CCPOA estimates \$2.5 million). CDC notes that 7K training is effective until July 2004, so that these positions would be needed until that time. CDC estimates that costs of these positions are \$2.3 million.	\$2.3
<b>Elimination of 152 Facility Captains at 32 Institutions.</b> This proposal would distribute duties currently performed by these positions to existing Facility Lieutenants, Facility Correctional Counselor II, or Current Institutional Associate Wardens. The CDC indicates that these positions are critical for issues dealing with inmate due process rights.	\$16.1
<b>Elimination of 40 Facility Captain positions at CDC Headquarters.</b> This proposal would eliminate the positions and allocate the duties to other classifications already staffed at headquarters. CDC indicates that it is examining its budget for reductions and is looking at appropriate reductions.	\$4.3
<b>Elimination of 72 Custody Captains.</b> This proposal would eliminate these custody captain positions with the workload distributed amongst existing Correctional Lieutenant and Associate Warden positions.	\$7.8
<b>Exempt CCPOA Members from Jury Duty.</b> (CCPOA Estimate: \$1.7 million) This was proposed last year in AB 513 (Matthews), but was never heard in Senate Public Safety.	\$1.7

## 5440 Board of Prison Terms

The Community Release Board was established in 1977 and renamed the Board of Prison Terms (BPT) in 1980. The board considers parole release and establishes the length and conditions of parole for all persons sentenced to prison under the Indeterminate Sentence Law, persons sentenced to prison for specified terms of less than life, and for persons serving a sentence for life with possibility of parole. The board is also responsible for parole revocation hearings and for reviewing applications for clemency. The board has nine commissioners appointed by the Governor and confirmed by the Senate.

*Budget Overview.* The budget proposes \$28.8 million from the General Fund for the Board of Prison Terms. The proposal represents a decrease of \$2.2 million, or 7.2 percent below current-year expenditures. Total authorized positions are proposed to be 221, which is a decrease of 10 positions from the current year.

Board of Prison Terms -- Program Expenditures					
Program	<i>Expenditures (dollars in thousands)</i>				<i>Percent Change</i>
	2001-02	2002-03	2003-04	Change	
Board of Prison Terms	\$30,550	\$31,039	\$28,813	-\$2,226	-7.2%
Total Authorized Positions	281	231	221	-10	-4.3%

### *Midyear Reductions.*

- A reduction of \$388,000 General Fund and 2 positions related to reductions in personnel.
- A reduction of \$365,000 General Fund to reflect reductions to operating expenses and equipment budget.
- A reduction of \$869,000 General Fund and 12 positions pursuant to Control Section 31.6.

### *Budget Year Reductions*

- A reduction of \$5,000 General Fund for out-of-state travel.
- A reduction of \$869,000 General Fund and 12 positions pursuant to Control Section 31.6.
- A reduction of \$1 million and 5 positions to reflect a reduction in the in the number of hearings conducted by Deputy Commissioners.
- A reduction of \$1.1 million and 13 positions to reflect the transfer of the Proposition 36 program to the Department of Corrections.



**1. Hearings for Life-Term Inmates.**

*Background.* Certain offenders in California prisons, particularly those punished for murder, are serving so-called indeterminate sentences in which the period of time to be served in prison before release to parole is not fixed in advance by the court. These indeterminately sentenced offenders are often called "lifers" even though most are eventually legally eligible for release. The BPT is the state agency primarily responsible under state law for deciding when those lifers who have served the minimum required prison time, and thus are now eligible for parole, will actually be released to the community.

In March 2001, the OIG issued a report that made note of the growing backlog of life-term cases. At hearings last year, BPT reported that the backlog was approximately 2,000 cases. Because of the backlog, most of the hearings were delinquent by more than six months.

The Legislature subsequently approved SB 778 as a temporary measure to assist the BPT in reducing the growing backlog of cases. The legislation allowed BPT to hold two-person panel hearings.

Last year, in a follow-up report on OIG's 2000 audit of BPT, OIG indicated that except for the implementation of SB 778, BPT's efforts to improve efficiency and increase hearing capacity had been minimal. Due to the fact that the two-person boards were a temporary measure, the OIG report had noted concerns that once they expire, the backlog may begin to grow again.

In budget hearings last year, the BPT indicated that the current backlog was then 739 cases and it would be reduced by the end of July 2002.

*Staff Recommendation.* The Subcommittee may wish to ask BPT for the status of the backlog for lifer hearings.

Informational issue.

**2. Backlog of Appeals from Inmates and Parolees.** In the OIG's follow-up audit on the BPT from last year, the OIG reported that the BPT's processes are not adequate to handle appeals in a timely manner. As a result there is a backlog of over 2,200 appeals from inmates and parolees.

The BPT has no time limits to respond to appeals, although inmates and parolees must submit an appeal within 90 days of receiving written confirmation of a board decision. The BPT indicates that it has set an internal goal for a response to an appeal in 120 days.

The OIG reports that the BPT's inability to process appeals in a timely manner has resulted in three court decisions mandating that the board meet fixed timelines for specific appeals. The BPT is required to meet 120 day timelines for appeals that originate from RJ Donovan Correctional Facility, and appeals filed by a specific inmate in San Quentin. Also, Armstrong v

Davis requires the BPT to complete any appeal related to ADA issues within 30 days. The OIG notes that the BPT was recently fined by the courts for failing to meet the court established timeline for a case filed from Donovan.

*Staff Recommendation.* The Subcommittee may wish to ask the BPT the status of the backlog of appeals for inmates and parolees.

Informational issue.